

Financial Statements Readers Union Limited

For the year ended 31 December 2012

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COMPANIES HOUSE

Registered number: 00843946

Readers Union Limited

Company Information

Directors	S Domville D Nussbaum J Ogle
Company number	00843946
Registered office	Brunel House Forde Road Newton Abbot Devon TQ12 4PU
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 11/13 Penhill Road Cardiff South Glamorgan CF11 9UP

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Directors' Report

For the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activities

The principal activities of the company are selling direct to consumers via catalogue mailings and online through various websites

Directors

The directors who served during the year were

S Domville
D Nussbaum
J Ogle

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risk and uncertainties affecting the company relate to the change in business direction from the operation of a book club to the development of an online, direct to customer outlet

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Directors' Report

For the year ended 31 December 2012

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

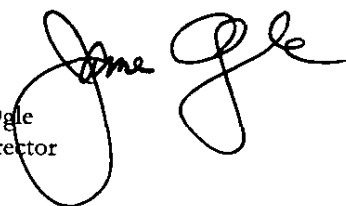
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 17 September 2013 and signed on its behalf


J Ogle
Director



Independent Auditor's Report to the Members of Readers Union Limited

We have audited the financial statements of Readers Union Limited for the year ended 31 December 2012, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Readers Union Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report

Grant Thornton UK LLP

Rhian Owen (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Cardiff

Date 17 September 2013

Profit and Loss Account

For the year ended 31 December 2012

	Note	2012 £000	2011 £000
Turnover		1,126	1,150
Cost of sales		<u>(1,264)</u>	<u>(1,090)</u>
Gross (loss)/profit		(138)	60
Distribution costs		(265)	(177)
Administrative expenses		<u>(35)</u>	<u>(297)</u>
Loss on ordinary activities before taxation		(438)	(414)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
Loss for the financial year	9	<u>(438)</u>	<u>(414)</u>

The notes on pages 7 to 11 form part of these financial statements

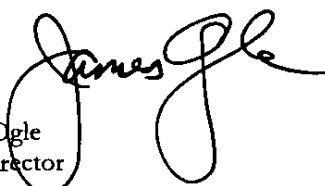
Balance Sheet

As at 31 December 2012

	Note	2012 £000	2011 £000
Fixed assets			
Tangible assets	4	45	69
Current assets			
Stocks		163	139
Debtors	5	7,597	8,056
Cash at bank		168	201
		<u>7,928</u>	<u>8,396</u>
Creditors: amounts falling due within one year	6	<u>(7,828)</u>	<u>(7,848)</u>
Net current assets		<u>100</u>	<u>548</u>
Total assets less current liabilities		<u>145</u>	<u>617</u>
Provisions for liabilities			
Other provisions	7	-	(34)
Net assets		<u>145</u>	<u>583</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	<u>145</u>	<u>583</u>
Shareholders' funds		<u>145</u>	<u>583</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17/9/13


J Ogle
Director

The notes on pages 7 to 11 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 December 2012

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Going concern

At the balance sheet date, the company is dependent on future short and long term funding being available to enable it to continue operating and to meet its liabilities as they fall due. The company is reliant on the support of the group for its continued operation. The shareholders have expressed their willingness to provide the necessary financial support in some suitable form should the need arise.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised when goods are dispatched.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	3 to 4 years
Motor vehicles	-	3 to 5 years
Fixtures & fittings	-	3 to 5 years

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements

For the year ended 31 December 2012

1. Accounting Policies (continued)

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2. Loss

The loss is stated after charging

	2012 £000	2011 £000
Depreciation of tangible fixed assets		
- owned by the company	52	105
Auditor's remuneration	7	7
Pension costs	-	1
	<u> </u>	<u> </u>

3. Directors

The directors of the company are also directors of the immediate parent company and the fellow subsidiaries. In the current year the remuneration of these directors is borne by the ultimate parent company, being F&W Publications Inc. It is not practical to allocate total remuneration between services to this company and other group companies.

Notes to the Financial Statements

For the year ended 31 December 2012

4. Tangible fixed assets

	Fixtures & fittings £000	Motor vehicles £000	Plant & machinery £000	Total £000
Cost				
At 1 January 2012	610	5	894	1,509
Additions	-	-	28	28
At 31 December 2012	610	5	922	1,537
Depreciation				
At 1 January 2012	610	5	825	1,440
Charge for the year	-	-	52	52
At 31 December 2012	610	5	877	1,492
Net book value				
At 31 December 2012	-	-	45	45
At 31 December 2011	-	-	69	69

5. Debtors

	2012 £000	2011 £000
Trade debtors	63	30
Amounts owed by group undertakings	7,510	8,000
Other debtors	24	26
	<u>7,597</u>	<u>8,056</u>

**6. Creditors:
Amounts falling due within one year**

	2012 £000	2011 £000
Payments received on account	7	15
Trade creditors	132	149
Amounts owed to group undertakings	7,679	7,679
Social security and other taxes	1	-
Accruals and deferred income	9	5
	<u>7,828</u>	<u>7,848</u>

Notes to the Financial Statements

For the year ended 31 December 2012

7. Provisions

	Onerous lease £000
At 1 January 2012	34
Amounts used	(34)
At 31 December 2012	-

Onerous lease

The lease on Brunel House (main trading premises) was sub-let to an unrelated third party in 2008 at a rental lower than that which Readers Union Limited are contractually required to pay to the landlords. As a result, an onerous lease provision of £93,000 was established and was utilised across the term of the lease until 31 December 2012.

8. Share capital

	2012 £000	2011 £000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	-	-

9. Reserves

	Profit and loss account £000
At 1 January 2012	583
Loss for the year	(438)
At 31 December 2012	145

10. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

Notes to the Financial Statements

For the year ended 31 December 2012

11. Ultimate parent undertaking and controlling party

F&W Publications Inc, a company incorporated in the USA, is the parent company of the largest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from 4700E Galbraith Road, Cincinnati, Ohio 45326, USA. F&W (UK) Limited is the parent company of the smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from Brunel House, Newton Abbot, Devon TQ12 4PU. F&W Publications Inc is considered to be the ultimate parent undertaking.